DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

DEC 21 1990

John V. O'Neill
4911 Aurora Drive
Kensington, Maryland 20895

Dear Mr. O'Neill:

On October 2, 1990, Daniel W. Blades and Anthony Rubbo of the Public Health Service Audits Division within the Office of Inspector General, met with you and Mr. John Peacock of the Oxford House Alumni Association, to discuss your concerns over the propriety of an Oxford House, Incorporated proposal for providing methadone treatment. The proposal was submitted to the National Institute on Alcohol Abuse and Alcoholism within the Alcohol, Drug Abuse, and Mental Health Administration (ADAMHA) in response to a Request for Proposal (RFP OTI-90-0002). On October 5, 1990, we met with and discussed the concerns you raised with ADAMHA officials.

On November 13, 1990, ADAMHA cancelled its Request for Proposal and terminated negotiations with Oxford House (enclosed). This was done because ADAMHA determined that significant weaknesses existed in the Oxford House, Incorporated proposal and did not believe that fair and reasonable estimated costs could be negotiated with Oxford House to accomplish the necessary work.

Your concerns over Oxford House's proposal is appreciated. Because of the actions taken by ADAMHA, we do not plan to pursue this matter any further. If you have any questions on this matter, please contact Mr. Blades, Assistant Inspector General for Public Health Service Audits, at (301) 443-3583.

Sincerely yours,

Thomas D. Roslewicz

Thomas D. Roslewicz
Deputy Inspector General
for Audit Services

Enclosure